

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4591-01  
Bill No.: HB 1355  
Subject: Children and Minors; Licenses - Miscellaneous; Counties  
Type: Original  
Date: January 29, 2014

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Bill Summary: This proposal allows third and fourth class counties to opt out of state regulations regarding the licensing of child-care facilities and allows such counties to adopt their own regulations.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Early Childhood Development, Education and Care	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Federal*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Potential savings and losses \$0 to unknown and net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Local Government*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Potential savings and losses \$0 to unknown and net to \$0.

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Health and Senior Services (DHSS)** state the proposed legislation will have an unknown impact on DHSS staff and local public health agencies (LPHAs) depending upon how many third and fourth class counties exercise the option to opt out of the statutory requirements outlined in 210.203 to 210.245, RSMo. Currently DHSS, Division of Community and Public Health (DCPH) staff provide safety and sanitation inspections for all child care centers before they open for business. Local Public Health Agencies (LPHAs) and DCPH staff perform subsequent annual inspections of child care centers. Under the proposed legislation, an unknown number of child care centers may no longer require inspections. This may result in a positive fiscal impact to General Revenue.

DCPH also receives federal funding to assist both DCPH staff and local public health agencies with the cost of child care center inspections. Differing inspection requirements throughout the state may negatively affect Missouri's eligibility to receive federal funds. Loss of federal funds for this function would be in excess of any General Revenue savings, resulting in an overall negative fiscal impact to the program.

The Section for Child Care Regulation in the Division of Regulation and Licensure receives funding from General Revenue, federal funds (primarily Child Care Development Fund monies received through a Memorandum of Understanding with the Department of Social Services and Maternal and Child Health Block Grant monies) and the Early Childhood Development, Education and Care Fund (ECDEC).

The impact on General Revenue and ECDEC is unknown; therefore, DHSS anticipates unknown cost savings for each funding source. The impact to federal funds is an unknown savings as well as an unknown revenue loss, net impact being zero.

Officials from the **Department of Public Safety (DPS) - Division of Fire Safety (DFS)** state this legislation could impact the Division as it is required to inspect state licensed child-care facilities. The amount of the fiscal impact is unknown, however, due to the unknown number of counties which would opt to take over inspection of these facilities. The Division assumes an unknown savings to the General Revenue Fund

**Oversight** notes the provisions of the proposal are permissive and will range the potential savings for the DHSS and DPS-DFS from \$0 to Unknown as it is possible that no third or fourth class counties would decide to opt out of having the DHSS/LPHAs perform the child-care inspections in their counties.

**Oversight** assumes any cost savings and revenue losses to LPHAs will net to \$0. Adoption of licensing provisions by third and fourth class counties that opt out of state regulations for licensing of child-care facilities is permissive and will have no impact for fiscal note purposes.

ASSUMPTION (continued)

Officials from the following **third and fourth class counties** did not respond to **Oversight's** request for a statement of fiscal impact: Andrew, Audrain, Barry, Cooper, Dekalb, Holt, Johnson, Knox, Laclede, Lawrence, Marion, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Pulaski, Scott, Warren, Wayne, and Worth.

Officials from the following **local public health agencies** in third and fourth class counties did not respond to **Oversight's** request for a statement of fiscal impact: Audrain, Harrison, Henry, Linn, Madison, McDonald, Miller, Morgan, Nodaway, Randolph, Reynolds, Ripley, Shelby, and Tri-County.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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**GENERAL REVENUE FUND**

Savings - DHSS (§§210.211 and 210.247)

Reduction in costs associated with 3 <sup>rd</sup> and 4 <sup>th</sup> class county child-care facility inspections	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
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Savings - DPS-DFS (§§210.211 and 210.247)

Reduction in costs associated with 3 <sup>rd</sup> and 4 <sup>th</sup> class county child-care facility inspections	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
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**ESTIMATED NET EFFECT ON THE  
GENERAL REVENUE FUND**

<u><b>\$0 to Unknown</b></u>	<u><b>\$0 to Unknown</b></u>	<u><b>\$0 to Unknown</b></u>
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**EARLY CHILDHOOD  
DEVELOPMENT, EDUCATION AND  
CARE FUND**

Savings - DHSS (§§210.211 and 210.247)

Reduction in costs associated with 3 <sup>rd</sup> and 4 <sup>th</sup> class county child-care facility inspections	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
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**ESTIMATED NET EFFECT ON THE  
EARLY CHILDHOOD  
DEVELOPMENT, EDUCATION AND  
CARE FUND**

<u><b>\$0 to Unknown</b></u>	<u><b>\$0 to Unknown</b></u>	<u><b>\$0 to Unknown</b></u>
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FISCAL IMPACT - State Government

FY 2015  
(10 Mo.)

FY 2016

FY 2017

**FEDERAL FUNDS**

Savings - DHSS (§§210.211 and 210.247)

Reduction in program costs for 3<sup>rd</sup> and 4<sup>th</sup> class county child-care facility inspections

\$0 to Unknown

\$0 to Unknown

\$0 to Unknown

Loss - DHSS (§§210.211 and 210.247)

Reduction in program reimbursements for inspections of child-care facilities in 3<sup>rd</sup> and 4<sup>th</sup> class counties.

\$0 to  
(Unknown)

\$0 to  
(Unknown)

\$0 to  
(Unknown)

**ESTIMATED NET EFFECT ON  
FEDERAL FUNDS**

**\$0**

**\$0**

**\$0**

FISCAL IMPACT - Local Government

FY 2015  
(10 Mo.)

FY 2016

FY 2017

**LOCAL GOVERNMENT - LOCAL  
PUBLIC HEALTH AGENCIES**

Savings - Local Public Health Agencies

Reduction in costs associated with inspections of child-care facilities in 3<sup>rd</sup> and 4<sup>th</sup> class counties

\$0 to Unknown

\$0 to Unknown

\$0 to Unknown

Loss - Local Public Health Agencies

Reduction in revenues from inspections of child-care facilities in 3<sup>rd</sup> and 4<sup>th</sup> class counties

\$0 to  
(Unknown)

\$0 to  
(Unknown)

\$0 to  
(Unknown)

**ESTIMATED NET EFFECT ON  
LOCAL GOVERNMENTS - LOCAL  
PUBLIC HEALTH AGENCIES**

**\$0**

**\$0**

**\$0**

### FISCAL IMPACT - Small Business

This proposal may have a negative fiscal impact on small business child care facilities caring for more than four unrelated children that receive grants and other federal funds because these facilities are required to be licensed by the Department of Health and Senior Services (DHSS). Child care facilities in counties opting out and adopting their own regulations may not be eligible to receive those funds.

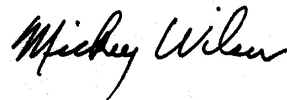
### FISCAL DESCRIPTION

This proposal allows the governing body of any county of the third or fourth classification to opt out of the child care licensure provisions in Sections 210.203 to 210.245 by an affirmative vote. If the county opts out of these provisions, it may adopt its own regulations regarding the licensing of child care facilities.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

Department of Health and Senior Services  
Department of Public Safety -  
Division of Fire Safety



Mickey Wilson, CPA  
Director  
January 29, 2014

Ross Strobe  
Assistant Director

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